

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 ABF-01 FS-01 AGR-05

STR-04 PA-01 PRS-01 /062 W

----- 043142

R 121955Z AUG 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 8106

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

LIMITED OFFICIAL USE PORT OF SPAIN 2023

E.O. 11652: N/A

TAGS: EFIN, TD

SUBJ: GOTT STILL UNDECIDED RE. PEGGING T & T DOLLAR

TO U.S. DOLLAR

REF: PORT OF SPAIN 1718

1. DESPITE CAMPAIGN MOUNTED OVER PAST MONTH BY BUSINESSMEN  
(LARGELY IMPORTERS) TO ENCOURAGE GOTT TO TIE TRINIDAD  
DOLLAR TO U.S. DOL-4, MINISTRY OF FINANCE IS STILL  
"STUDYING" THE MATTER. THE RECENT WEAKNESS OF STERLING  
NOW HAS RESULTED IN A 15 PERCENT DEVALUATION OF THE  
T & T DOLLAR VIS-A-VIS A NON-STERLING-LINKED CURRENCIES,  
WHICH IMPORTERS CITE AS EVIDENCE THAT PRICES WILL RISE  
ON A WIDE RANGE OF ITEMS IMPORTED FROM NON-STERLING  
COUNTRCSS. EXPORTERS, OF COURSE, IN THEORY GAIN FROM  
DEVALUATIONS, BUT OIL AND SUGAR ARE PRICED IN HARD  
CURRENCIES AND MINOR EXPORTERS CLAIM THAT RISING  
COST OF INPUTS LARGELY WIPES OUT ANY GAINS THEY  
MIGHT ENJOY.

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2. SEPARATE FROM QUESTION OF WHETHER TO PET T & T DOLLAR WITH U.S. DOLLAR, SDR'S, OR SOME OTHER STANDARD IS WHAT EXCHANGE RATE TO ADOPT. MOST BUSINESSMEN WOULD BE CONTENT TO SEE A RATE CLOSE TO TT\$2.00 EQUALS US \$1.00, WHICH IS RATE WHICH PREVAILS WHEN STERLING IS WORTH US \$2.40. OTHER VOICES HAVE HINTED AT A FURTHER REVALUATION (REFTEL), ADDUCING VARIOUS POLITICAL AND ECONOMIC CONSIDERATIONS IN SUPPORT OF SUCH A MOVE. MOST TRINIDADIANS SEEM LESS CONCERNED AT PROSPECT OF HIGHER IMPORT PRICES THAN THEY DO AT RISING VALUE OF BARBADOS DOLLAR, WHICH WAS AT PAR WITH T & T DOLLAR UNTIL RECENT ACTION TO LINK WITH U.S. DOLLAR AT BDS\$2.00 EQUALS US\$1.00. TRINIDADIANS BELIEVE THE CURRENCY IS STRONGER THAN ANY OTHER CARICOM CURRENCY, CITING GOTT BALANCE OF PAYMENTS SUPPORT TO OTHER CARICOM CENTRAL BANKS, AND ARE IRKED TO FIND T & T DOLLAR ACTUALLY DECREASING IN VALUE.

3. COMMENT: MINISTER OF FINANCE GEORGE CHAMBERS  
ACKNOWLEDGED TO CHARGE' AUGUST 11 THAT GOTT INDEED IS  
PONDERING ENTIRE ISFSE, AND SAID THAT MATTER WOULD BE  
RESOLVED IN WAY TO MINIMIZE DAMAGE TO VARIOUS CONFLICTING  
INTERESTS. MINISTER GAVE IMPRESSION THAT THIS SOLUTION  
HAS NOT YET BEEN FOUND, AND GOTT SEEMS TO WISH THAT  
STERLING WILL SUDDENLY REBOUND IN VALUE AND REDUCE  
PRESSURE ON GOVERNMENT TO TAKE ACTION. LOCAL BETTING  
IS THAT GOTT MAY ANNOUNCE SOME MONETARY ACTION OVER

WEEKEND OF AUGUST 31. MEANWHILE, BUSINESSMEN AND  
PRIVATE INDIVIDUALS WITH T & T DOLLAR OBLIGATIONS ARE  
BRINGING IN LARGE AMOUNTS OF FOREIGN CURRENCIES.

RICH

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOLLAR, CURRENCY STABILITY, DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PORTO02023  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750278-0929  
**From:** PORT OF SPAIN  
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**Image Path:**  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 PORT OF SPAIN 1718  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <15 DEC 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOTT STILL UNDECIDED RE. PEGGING T & T DOLLAR TO U.S. DOLLAR  
**TAGS:** EFIN, TD, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006